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# The Baldwin Locomotive Works

Standard Steel Works Co.

PHILADELPHIA, PA., U. S. A.



Report

DECEMBER 31, 1927

BOARDS  
621.3  
B1931

Seventeenth Annual Report

**THE BALDWIN LOCOMOTIVE WORKS**

December 31, 1927

# THE BALDWIN LOCOMOTIVE WORKS

Incorporated under the Laws of the State of Pennsylvania

June 7, 1911

## DIRECTORS

THOMAS S. GATES, Chairman  
WILLIAM L. AUSTIN  
SAMUEL M. VAUCLAIN  
WILLIAM E. COREY  
SYDNEY E. HUTCHINSON  
SIDNEY F. TYLER  
B. DAWSON COLEMAN  
ARTHUR W. SEWALL  
JOHN M. HANSEN  
FRANCIS M. WELD  
ALVA C. DINKEY  
FRED. J. FISHER  
CLARENCE R. BITTING  
ARTHUR W. CUTTEN  
JOS. N. EWING

Philadelphia  
Rosemont, Pa.  
Rosemont, Pa.  
New York City  
Philadelphia  
Philadelphia  
Lebanon, Pa.  
Philadelphia  
Pittsburgh  
New York City  
Philadelphia  
Detroit  
Detroit  
Chicago  
Philadelphia

## OFFICERS

SAMUEL M. VAUCLAIN  
JOHN P. SYKES  
  
WILLIAM DE KRAFFT  
  
ARCHIBALD H. EHLE  
  
F. DE ST. PHALLE  
JAMES McNAUGHTON  
  
CHARLES A. BOURGEOIS  
JACQUES L. VAUCLAIN  
  
HARRY GLAENZER  
WILLIAM A. RUSSELL  
ARTHUR L. CHURCH  
A. B. EHST

President  
Senior Vice-President in Charge of Plants  
and Manufacture  
Vice-President in Charge of Finance, and  
Treasurer  
Vice-President in Charge of Domestic  
Sales  
Vice-President in Charge of Foreign Sales  
Vice-President in Charge of the New York  
Office  
Vice-President in Charge of Manufacture  
Vice-President in Charge of Plant and  
Equipment  
Vice-President in Charge of Engineering  
Vice-President in Charge of Purchases  
Secretary and Assistant Treasurer  
Comptroller

## GENERAL COUNSEL

MORGAN, LEWIS & BOCKIUS  
Philadelphia

# THE BALDWIN LOCOMOTIVE WORKS

*General Offices of the Company*

500 North Broad Street, Philadelphia

## TRANSFER AGENTS

IN PHILADELPHIA: Fidelity-Philadelphia Trust Company, 415 Chestnut Street  
IN NEW YORK: Bankers Trust Co., 16 Wall Street

## REGISTRARS OF STOCK

IN PHILADELPHIA: The Pennsylvania Co. for Insurances on Lives and Granting  
Annuities, 15th and Chestnut Streets  
IN NEW YORK: Guaranty Trust Company of New York, 140 Broadway

## REPRESENTATIVES AND AGENTS

Chicago, Ill.	CHARLES RIDDELL	627 Railway Exchange
Houston, Texas	RUSSELL A. HEY	1108-9 Second National Bank Building
New York, N. Y.	JAMES MCNAUGHTON	120 Broadway
Pittsburgh, Pa.	CHAS. E. HALE	375 Union Trust Bldg.
Portland, Ore.	A. J. BEUTER	313 American Bank Bldg.
Richmond, Va.	G. F. JONES	512 Richmond Trust Bldg.
St. Louis, Mo.	A. S. GOBLE	1010 Pine St.
St. Paul, Minn.	HENRY BLANCHARD	908 Merchants National Bank Building
San Francisco, Cal.	LATHAM McMULLIN	2910 Russ Building
Africa (South)	L. M. MCKUNE	North British Building Johannesburg
Argentina	WALLACE R. LEE	Paseo Colon 185, Buenos Aires
Australia	R. TOWNS & Co.	31 Reiby Lane, Sydney, New South Wales
"	NEWELL & Co.	189 King Street, Melbourne, Victoria
"	LESLIE & Co.	959-61 Hay Street, Perth, Western Australia



Brazil	C. F. DODSON	Rua da Alfandega 48, Rio de Janeiro
"	CORY BROS. & CO., LTD.	Bahia and Pernambuco
Chile	WALLACE R. LEE	Edificio Ariztia, Santiago
China	ANDERSEN, MEYER & CO., LTD.	Shanghai and Peking
Colombia	A. B. HARDIE	Bank of Colombia Building, Bogota
Cuba and Jamaica	G. R. PEREZ	301 Edificio La Metropoli- tana, Havana
European Continent (Excluding Russia and Scandinavia)	PAUL NEGRIER	42 bis Blvd. Richard-Lenoir, Paris
Great Britain	ASHTON DORR	34 Victoria Street, London, S. W. 1
Hawaiian Islands	C. BREWER & CO., LTD.	Honolulu
India	F. T. SLAYTON	5 Dalhousie Square, Calcutta
Japan	SALE & CO., LTD.	Tokyo
Mexico	PAUL G. CHEATHAM	2a Capuchinas, 48, D. F. Mexico City
New Zealand	PHILIPS & PIKE, LTD.	Wellington
Peru and Ecuador	R. C. TINSLEY	Edificio Italia, Lima
Philippines	PACIFIC COMMERCIAL CO., INC.	Manila
Porto Rico	R. CARRION	Bank of Nova Scotia Bldg., San Juan
Portugal	E. PINTO BASTO & CO., LTD.	64 Caes do Sodre, Lisbon
Scandinavia	OLAV BELSHEIM	Toldbogaden No. 8, Oslo, Norway
Venezuela	T. D. DREW-BEAR	Apartado 472, Caracas

## PLANTS

PHILADELPHIA AND EDDYSTONE  
PENNSYLVANIA

# STANDARD STEEL WORKS COMPANY

Incorporated under the Laws of the State of Pennsylvania  
December 20, 1907

## DIRECTORS

WILLIAM L. AUSTIN	Rosemont, Pa.
SAMUEL M. VAUCLAIN	Rosemont, Pa.
SYDNEY E. HUTCHINSON	Philadelphia
SIDNEY F. TYLER	Philadelphia
B. DAWSON COLEMAN	Lebanon, Pa.
ARTHUR W. SEWALL	Philadelphia
THOMAS S. GATES	Philadelphia

## OFFICERS

SAMUEL M. VAUCLAIN	President
JOHN P. SYKES	Senior Vice-President in Charge of Plant and Manufacture
WILLIAM DE KRAFFT	Vice-President in Charge of Finance, and Treasurer
A. A. STEVENSON	Vice-President in Charge of Manufacture
FRANK K. METZGER	Vice-President in Charge of Sales
WILLIAM A. RUSSELL	Vice-President in Charge of Purchases
ARTHUR L. CHURCH	Secretary
A. B. EHST	Comptroller

## PLANT

BURNHAM, MIFFLIN COUNTY  
PENNSYLVANIA

## To the Stockholders of The Baldwin Locomotive Works

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The President submits to the Stockholders his report for the calendar year 1927—presenting:

The Baldwin Locomotive Works Summary of Operations, pages 7 and 8.

The Baldwin Locomotive Works Balance Sheet, page 9.

Standard Steel Works Company Balance Sheet, page 10.

The Consolidated Balance Sheet, page 11.

The Report of Certified Public Accountants, page 12.

The foreign business was satisfactory.

The transfer of equipment and operations to Eddystone has been continued, and will be completed by July, 1928.

Due to obsolescence of machinery and tools, that account has been depreciated One Million Dollars.

The Standard Steel Works Company issued 20,000 shares additional Capital Stock, which was purchased by The Baldwin Locomotive Works at par.

All outstanding Bonds of the Standard Steel Works Company have been retired.

S. M. VAUCLAIN,  
*President.*

# THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations, July 1, 1911—December 31, 1927

Year	Gross Sales	Profit	Reserves, Etc.	Dividend	Surplus For Year	Adjustments	Surplus
1911 (6 mos.)	\$14,589,645.26	\$1,671,419.32	.....	\$900,000.00	\$771,419.32	.....	\$771,419.32
1912	28,924,335.16	3,698,571.44	.....	1,800,000.00	1,898,571.44	.....	2,669,990.76
1913	37,630,969.21	4,017,800.33	.....	1,800,000.00	2,217,800.33	.....	4,887,791.09
1914	13,616,163.36	365,229.92	.....	1,800,000.00	1,449,770.08*	.....	3,438,021.01
1915	22,083,011.06	2,867,816.17	\$15,000.00	1,400,000.00	1,427,816.17	.....	4,865,837.18
1916	59,219,057.99	9,444,641.91	40,000.00	1,400,000.00	4,083,787.04	.....	8,949,624.22
1917	98,263,865.33	11,193,840.66	3,960,854.87	1,400,000.00	6,905,722.30	.....	55,346.52
1918	123,179,251.99	18,262,112.05	2,888,118.36	1,400,000.00	1,852,295.54	\$15,800,000.00	1,907,642.06
1919	84,307,776.72	8,871,243.30	15,009,816.51	1,400,000.00	3,676,243.30	.....	6,554,412.96
1920	73,542,666.49	8,407,269.75	3,095,000.00	2,100,000.00	1,628,518.72	970,527.60	11,013,437.37
1921	49,945,506.24	8,962,273.10	3,978,751.03	2,800,000.00	2,244,096.47	2,830,505.69	13,257,533.84
1922	33,087,258.62	6,765,514.43	3,918,176.63	2,800,000.00	2,406,519.05	.....	18,930,777.89
1923	102,762,075.28	11,931,521.93	1,558,995.38	2,800,000.00	916,464.31	3,266,725.00	19,847,242.20
1924	26,080,352.27	1,920,026.77	8,215,057.62	2,800,000.00	1,320,026.77	.....	18,367,268.97
1925	27,876,064.14	196,563.95	600,000.00	2,800,000.00†	196,563.95	2,800,000.00†	15,763,832.92
1926	47,891,668.91	6,492,422.39	.....	2,800,000.00†	5,883,906.97	2,800,000.00†	18,847,739.89
1927	32,901,143.07	3,705,446.70	608,515.42	2,800,000.00†	2,442,199.83	5,437,881.01§	15,852,058.71
	\$875,900,831.10	\$108,773,714.12	1,263,246.87	\$36,400,000.00			

\* Deficit

† From Reserves

‡ For Dividends Subsequent Year

§ Dividends 1928 and Accumulated Depreciation



# THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations for the Year Ending  
December 31, 1927

Sales.....	\$32,901,143.07
Cost.....	30,853,796.39
Manufacturing Profit.....	2,047,346.68
Other Income	
Interest, etc. ....	2,337,314.96
Gross Income .....	4,384,661.64
Deduct	
Accrued Interest, etc. ....	679,214.94
Profit .....	3,705,446.70
Less Depreciation .....	\$1,000,000.00
Taxes .....	225,000.00
Deferred Profits .....	38,246.87
	1,263,246.87
Net Profit.....	\$2,442,199.83

(Subject to revision to meet any changes in interpretation of Federal Tax Laws,  
Regulations or Rulings.)

Balance Sheet, December 31, 1927

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

# STANDARD STEEL WORKS COMPANY

Balance Sheet, December 31, 1927

ASSETS		LIABILITIES	
PLANT AND EQUIPMENT:		CAPITAL STOCK.....	\$8,000,000.00
Land, Buildings and Machinery	\$10,047,957.58		
Less Depreciation .....	729,391.76		
	<hr/>		
	9,318,565.82	CURRENT LIABILITIES:	
		Accounts Payable.....	502,366.29
		Saving Funds .....	143,084.96
			<hr/>
			645,451.25
		RESERVES:	
		Income Taxes .....	432,932.71
		SURPLUS.....	3,001,240.82
	<hr/>		<hr/>
	\$12,079,624.78		\$12,079,624.78

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

# THE BALDWIN LOCOMOTIVE WORKS AND STANDARD STEEL WORKS COMPANY

Consolidated Balance Sheet, December 31, 1927

## ASSETS

PLANT AND EQUIPMENT.....	\$42,331,712.66	CAPITAL STOCK .....	\$40,000,000.00
INVESTMENTS, REAL ESTATE, ETC.....	467,214.14	BONDED DEBT .....	10,000,000.00
CURRENT ASSETS .....	29,402,390.09	CURRENT LIABILITIES .....	3,335,932.78
DEFERRED CHARGES.....	180,516.47	INTEREST .....	451,483.19
SINKING FUND .....	3,641,600.00	SURPLUS AND RESERVES.....	22,236,017.39
	<u>\$76,023,433.36</u>		<u>\$76,023,433.36</u>

## LIABILITIES

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)



# STOCKWELL, WILSON & LINVILL

LAND TITLE BUILDING

PHILADELPHIA

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## To the Stockholders of THE BALDWIN LOCOMOTIVE WORKS

We have examined the books of The Baldwin Locomotive Works and Standard Steel Works Company for the year ending December 31, 1927. In further verification of assets appearing on the books, we inspected and counted the notes receivable, securities, cash in hand, and obtained confirmation of bank balances and securities held by banks for your account.

While we did not actually count and weigh the merchandise, materials and finished stock, we inspected the inventory sheets and many of the items thereon as to price, extensions and footings thereof. The basis of valuation throughout was cost or market, whichever was lower, except that goods-in-process under sales contracts were valued at cost.

An examination of the details of the accounts receivable shows them to represent current, good book accounts, all accounts known to be bad having been charged off.

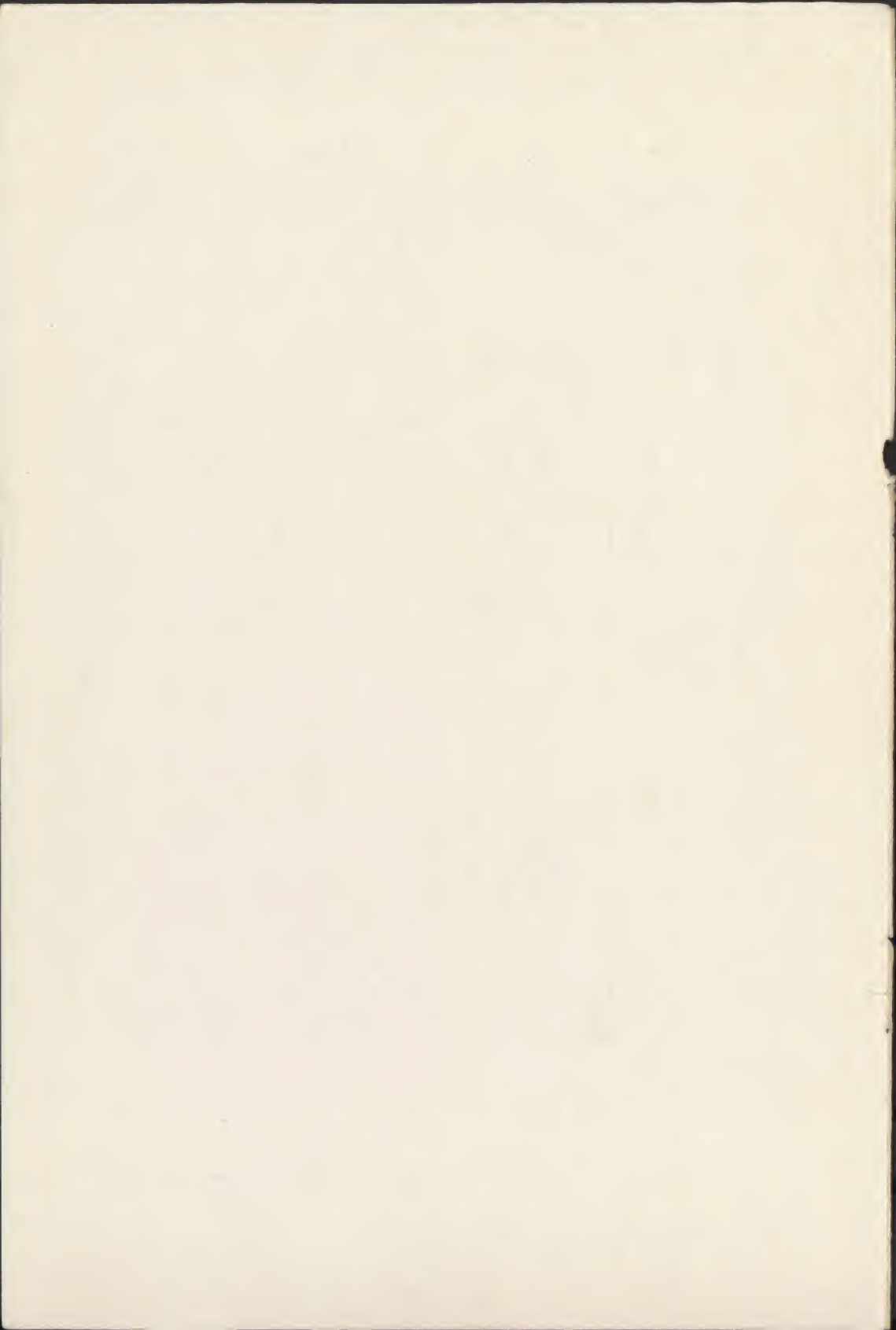
We did not make a physical inspection of the plant, but did examine the amounts added to the plant accounts during the year, and are satisfied that they constitute proper charges. Reserves have been set up for Federal taxes and depreciation of plant and machinery.

Subject to the foregoing, the consolidated balance sheet, in our opinion, represents the true financial condition of your company as of December 31, 1927.

STOCKWELL, WILSON & LINVILL

*Certified Public Accountants*

February 4, 1928.





1911  
1912  
1913